

RADIO NEWS

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Q1 reports prove the numbers

1999 was no fluke. The radio industry's revenue acceleration didn't just continue in Q1 of 2000, it continued to pick up speed.

Despite the tendency of many Wall Street investors to lump radio in with Internet stocks and other high-fliers from last year and conclude that the big gains can't continue unabated, radio revenues are growing faster than ever. That's been reflected in the twice-monthly forward pacing reports in *RBR* (including the latest numbers on this page) and the monthly reports on actual revenues from the RAB. Now the bullish news is being confirmed over and over again as radio companies report their Q1 numbers.

The big players are leading the parade of stellar performers. Both CBS (N:CBS), along with its Infinity (N:INF) subsidiary, and Clear Channel Communications (N:CCU) delivered revenues and cash flow that beat the consensus estimates of Wall Street analysts. The third radio giant, AMFM (N:AFM), is due to report its earnings this week. Those giants will be even bigger before 2000 is finished—AMFM is due to merge into Clear Channel and CBS/Infinity into media giant Viacom (N:VIA).

Lest investors continue to believe that dot-com advertising is what's driving radio's growth, radio groups without top 20 market stations (and thus, little or no dot-com advertising) are also reporting record results and

strong outlooks for the rest of the year. Both Citadel Communications (O:CITC) and Saga Communications (A:SGA) reported double-digit cash flow growth last week. *RBR*'s reports on the Q1 numbers for CBS/Infinity, Clear Channel, Citadel and Saga appear on page 11.

Along with AMFM, reports are due this week from Beasley (O:BBGI), Radio One (O:ROIA), Hispanic Broadcasting (O:HBCCA) and possibly other radio groups.

No date has been set, however, for the Q1 report from Cumulus Media (O:CMLS). As detailed in our feature report this issue (pages 7-10), that report will have some investors clinging to the edge of their seats.—JM

LMIV content partners to be announced

Announcements are imminent regarding content partners lined up for the Emmis-inspired LMIV Internet venture (*RBR* 7/5/99, p.3) which allows all broadcasters to join in this soon-to-be-rolled-out critical mass portal. "We have made a lot of progress. We have, sort of all the pieces of the puzzle put together and are just in the process of documenting the business at this point," **Jack Swarbrick**, Acting CEO, LMIV tells *RBR*. "We're trying to sign final documents." He met with Bonneville, one of the founding partners, last week.

Pacing: No end to good news

"More good news, more good times ahead," quipped **George Nadel Rivin** of Miller, Kaplan, Arase & Co. as he provided yet another report on blockbuster pacing.—JM

RBR/Miller Kaplan Market sell-out percentage report

	2000	1999
Apr. 15	87.3%	82.8%
May	85.2%	79.0%
June	70.5%	56.7%

CMGI Solutions has been on the project almost from the beginning, consulting on technical and content logistics. While Swarbrick didn't name the content and technology providers on board for the unveiling just yet, ink on paper is all that's left: "All we'll do is have all the contracts negotiated, ready to be signed, and then as soon as we formalize the corporation, we'll execute the contracts."

Could that be as soon as this week? "Frankly, that's my hope."

"Once we get our working group done—and it's taken a little longer than we'd hoped—but it always does with things like this because nobody

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has ever done anything like this before," says Emmis CEO **Jeff Smulyan**. "I think what the industry will be proud of is we've gotten something for all of the industry to participate in. Everybody can on an equal basis, and I think that's the thing I'm proudest of."

The founding members are still on board—Emmis, Bonneville, Jefferson-Pilot, Citadel, Susquehanna and Greater Media. Others will be allowed to join after the official launch. LMIV, which continues as the project's name, will operate as an independent entity. Says Swarbrick: "The working group has remained the same. We wanted to keep the same core group of companies working on the development of the model and corporate documents. Once we have all executed the stock restriction agreements and affiliate agreements, then we will take that package out to everybody else."

The anxiously-awaited debut should be quite compelling. "You will have all the functionality of any portal—email, chat, messaging will all be made available free to people who come on the site," says Swarbrick, who is focused on three principal content areas: "One is in the core media space of the participating companies—so if you are a music radio station, we intend to be as good or better as any music site. Secondly, in things that are uniquely local—because that is the platform from which this network is built—we want to make sure that we again deliver as good a quality as anyone else on the Internet."

The starting point for that is local news, weather and sports. "But we really want to extend it to local government information, school information, all the things you go to radio for now," Swarbrick explains. "Only, the way we intend to do it is if you want to tell us what school your kids are in, we'll email you so you won't have to look through 80 schools. And the same way with traffic information. The third element of it is what we have tended to call lifestyle elements, especially in the music radio categories. So, yes, we'll have classifieds, but those classifieds will be tailored to reflect the audience that the station knows it has."—CM

EEO forms due 6/2

All broadcast and cable entities should have received new EEO forms by mail from the FCC. The "Broadcast and Cable Initial Election Statement" must be filled out and two copies sent back to the FCC by 6/2. In addition, a copy must be placed in each station's public file.

If your station somehow didn't receive the mailing, the forms are available on the Commission's Web site, www.fcc.gov/forms.

RBR observation: We went to the Web site to get a copy of the EEO forms and eventually located them under "Election Statement." Did the same genius file documents pertaining to rules for this year's political election under EEO?—JM

Commission adopts streamlined FM app. form

The FCC will make available (5/25) the revised application forms for FM broadcast licenses, Form 302-FM, which replaces many open-ended questions with simple yes/no responses. The revised form, which applicants must use beginning 5/25, are available by mail, phone, 800-418-FORM or online (www.fcc.gov/formpage.html). The Commission also streamlined forms 301, 314, 315 and 316 last June.—CM

KJR-FM Seattle fined for contest

The FCC has ordered Ackerley's (N:AK) KJR-FM Seattle to pay a \$2K fine for a 1999 contest.

A listener who had been declared on-air a \$10K winner complained to the FCC after she was disqualified and received no money. KJR noted that the rules of the contest (to identify the 10 songs in a montage) barred anyone from playing twice within 10 business days. The woman had won \$95 just for being the correct caller 10/26/99 but didn't correctly identify all of the songs. She got through again on 11/4/99 and correctly identified all of the songs.

Although KJR and the woman gave the FCC very different accounts of what she had been told about the contest rules, KJR was not able to provide proof that the complete rules had been broadcast periodically. The FCC ruled that posting the rules on KJR's web site and at the station receptionist's desk was not sufficient, although it did reduce the potential fine from \$4K to \$2K.—JM

Dahl back on WCKG

After a week to cool down from his week-long suspension and subsequent resignation (*RBR* 4/24, p.3), WCKG-FM (Infinity) Chicago afternoon driver **Steve Dahl** was back on the job (4/24) after making amends with VP/GM **Mike Disney**. He had quit over being suspended because of comments he made on-air about a pending lawsuit involving the station and himself. An element of the restored relationship, Disney has finger on a dump button installed in his office. Dahl has over a year left on his contract.—CM

Rush no longer relevant?

That's the question the *New York Times* attempted to answer in an article on the front page of its Business Day section (4/24). A chart based on the Dow Jones Interactive database found that "critics of **Rush Limbaugh** in print media" fell from well over 10,000 in 1994 to under 2,000 in 1999. But while the article said that liberals on the East and West Coasts are paying less attention to Limbaugh, he still has a lot of influence in the nation's heartland. Also, this year's election has been less than exciting so far, so things could yet heat up. Best quote: "Listen to me very carefully. I don't measure my success by who wins elections. My success is determined by how many people listen and believe what I have to say."

The Times article also noted that Limbaugh continues to enjoy great financial success, citing a *Forbes* magazine estimate that his 1999 income was \$22M.

RBR observation: Limbaugh has mentioned on the air that if that *Forbes* estimate were correct, it would have been a really off year for him.—JM

Another DJ charged with soliciting sex from minors

A pattern? Just recently (*RBR* 4/17, p.4) we reported WUBE-FM Cincinnati DJ **Allen Pruett** had been arrested for an Internet sting involving soliciting a 14-year-old-girl. Well this time, it was no sting—KKCT-FM Bismarck, ND DJ **Mike Rosenau**, a.k.a. **Mike Richards**, was arrested 4/19 for allegedly engaging in sex acts with a 13-year-old girl. He has been charged with three felony sex crimes, involving events 3/99-10/99 with the girl he met last year on the net.

The prosecution is basing a lot of the case on numerous sexual messages sent between the two on the net. The maximum penalty is 60 years in prison with a \$30K fine.—CM

CPB invests in Public Interactive, Inc.

The Corporation for Public Broadcasting (CPB) has invested \$650K on Public Interactive, Inc.'s new online service, Public Newsroom. Public Interactive is the country's leading online content developer for public broadcasting stations. The service provides local, national and international news; online and local publishing tools; and a searchable database. The investment marks the first time a private, non-profit corporation is funding a "new media" venture. CPB officials explain that the investment supports their "decades-long mission to ensure delivery of public service to the nation in an increasingly complicated and competitive media environment."—KM

Interop reports Q1 gains

Even without Clear Channel's (N:CCU) stations, Interop National Radio Sales (O:IREP) managed to post a gain in Q1 radio revenues. Those revenues rose 13.8% to \$19.9M. Interop also reported \$182K in Q1 commission revenues from its new Internet division. Core cash flow (EBITDA, excluding contract termination revenue and Internet) rose 325% to \$2M. Interop's operating loss decreased by more than half to \$3.1M.

Meanwhile, Interop has been making good on its announced plan (*RBR* 3/27, p. 10) to have its employee benefit plan, the Stock Growth Plan,

Bell hands over the legacy

Art Bell, king of nighttime radio with Premiere's "Coast to Coast AM" and "Dreamland" handed over the reins (4/27) of Coast To Coast to **Mike Siegel**, his hand-picked successor. Bell is retiring from the media—for now at least—for personal reasons (*RBR* 4/10, p.3). Siegel will now act as the conduit for *all things unexplained*. Dreamland will be hosted by **Ian Punnett**, **Peter Weissbach** and others.—CM



Art Bell

Mike Siegel

buy up to 200K of the company's shares on the open market. In six transactions from 3/15 through 3/31, the Stock Growth Plan bought a total of 55.5K shares for \$436K. The stock purchases were made at prices ranging from \$6.49 to \$9.16 per share. In addition to the Stock Growth Plan buybacks, Interep announced recently (*RBR* 4/1, p.22) that the company itself would buy up to 1M of its own shares.—JM

Dame adds investors

Let there be no doubt that **Al Dame** is out to build another radio group of substantial size, not just a small operation to keep his finger in the business. Dame has sold 70.4% of the equity in his new Dame Broadcasting LLC to Great Hill Equity Partners LP and Great Hill Investors LLC for \$8.7M. Dame, however, will retain a 33.33% voting interest for his 21.6% equity stake.

Both investment funds are headed by **Stephen Gormley**, **Christopher Gaffney** and **John Hayes**. They are also investors in Sunburst Media, Bloomington Broadcasting, Equity Communications and a few other stations.—JM

Premiere signs NetZero for Wango Tango sponsorship

NetZero, best known for its free Internet access service, has signed to be the title sponsor of Clear Channel/Premiere's Wango Tango Music Festival 5/13 at Dodgers Stadium in LA. The "NetZero Million Dollar Wango Tango 2000" will be brought live to stations across the country, commercial free. Stations are promoting the festival, giving winning listeners free trips and tickets to the event, where they will also have the opportunity to win \$1M. Headlined groups include

N'Sync, **Lenny Kravitz**, Sugar Ray and The Goo Goo Dolls.—CM

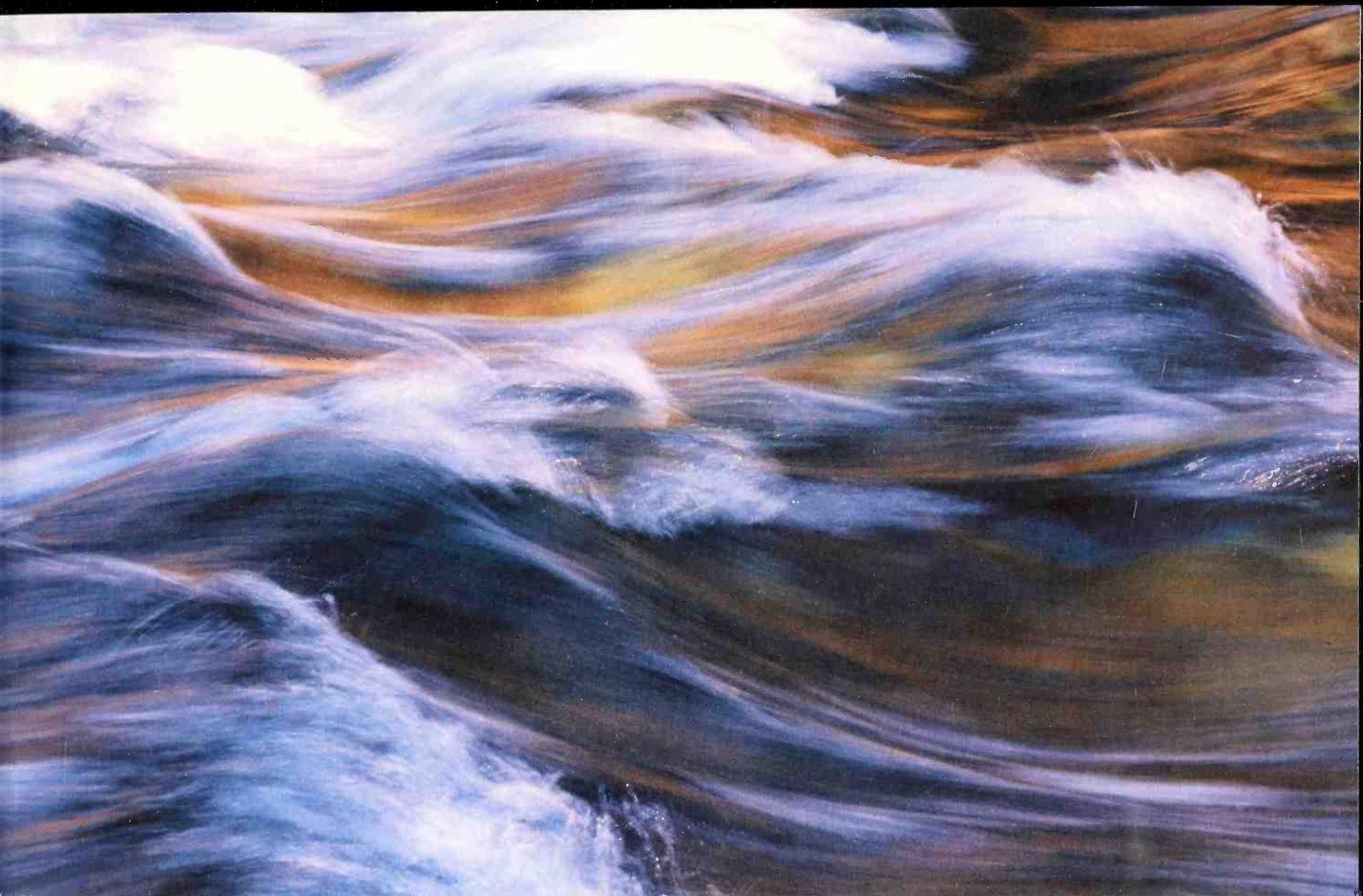
New community on the web

theglobe.com is building a customized sports community for CBS Sportsline. With an initial focus on baseball and football, users can join or start a club, participate in forums of chat with other sports fans. The community can be accessed on <http://clubs.sportsline.com> or theglobe.com's Sports and Recreation area. Other projects that theglobe.com will be implementing for CBS Sportsline—specialized templates where users can create their own homepages and fan sites; enhanced communication centers where users can discuss their fantasy leagues; and other team clubs featuring sports such as basketball, hockey, college and local sports.—KM

USADR adds Sanyo, others to strategic alliance list

Consumer electronics manufacturer Sanyo is the latest to sign a joint technology and marketing development agreement with USA Digital Radio. As part of the alliance, Sanyo will work with USADR to implement a receiver business development and technology transfer process. On the receiver alliance side, Sanyo joins Kenwood Corporation.

USADR has also added four industry vendors to its list of joint technology and marketing agreements: Armstrong Transmitters; TV and FM RF systems manufacturers Dielectric and Jampro and STL manufacturer Moseley Associates. The companies will join USADR in testing, developing and promoting products to support its "iDAB" IBOC technology. At deadline: USADR signed RF systems manufacturer Lowpass Prototype to the list (4/27).—CM



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RBR News Briefs

Emmis sends Aponte to Argentina

Emmis Communications (O:EMMS) has hired **Julio Aponte Jr.** as President of Emmis Argentina, heading the company's newly acquired radio properties in Buenos Aires. He'll report to **Randy Bongarten**, President of Emmis International. Aponte was most recently VP/GM of Radio Unica's (O:UNCA) KIQI-AM San Francisco.—JM

Silipigni United Stations VP, Eastern Sales; Susan Moore upped

Dick Silipigni, former CBS Radio Network/Westwood One SVP Sales and most recently VP Sales at digital audio messaging firm Metasound, has been tapped (4/26) as VP, Eastern Sales at United Stations. The network also announced **Susan Moore** has been promoted from Sales Coordinator to Manager, Sales Support. She has been with United Stations since '96, moving from Interep.—CM

AMFM/CCU shareholders OK merger

Not that it was ever in doubt, but shareholders of AMFM Inc. (N:AFM) have given official approval to the company's pending merger with Clear Channel (N:CCU). A day later (4/27), Clear Channel announced that its shareholders had also given the marriage a thumbs-up. Both companies say the merger is expected to close by 9/30. At closing, each share of AMFM will become 0.94 share of Clear Channel stock.—JM

NBG gets government contract

NBG Solutions, a subsidiary of NBG Radio Network (O:NSBD), has won a contract from the US government for kiosks distributing government forms. The contract with the US General Services Administration (GSA) is part of Vice President **Al Gore's** reinventing government initiative. The contract has a minimum value of \$250K. 29 of the custom kiosks have been ordered so far for placement in commercial malls and department stores nationwide and the government could order up to a maximum of 50.—JM

Record quarter for RealNetworks

Another quarter, another triple-digit gain for RealNetworks (O:RNWK). The Internet streaming company reported that Q1 net revenues rose 120% to \$53.3M. Although most of RealNetworks' revenues still come from licensing its software and providing streaming services, advertising is a growing portion of the business. Ad revenues in Q1 were \$8.4M, up 564% from a year ago. RealNetworks' net income was \$8.8M, compared to a loss of \$500K a year earlier.—JM

Times Mirror beats expectations

Good news for Tribune Co. (N:TRB). Its \$8B acquisition of Times Mirror (N:TMC) is already delivering a better payback than expected, and the merger hasn't even closed yet. Times Mirror reported that Q1 net earnings from continuing operations rose 16% to \$57.9M. That's 90 cents per share, while the consensus of Wall Street analysts surveyed by First Call had been 75 cents. Revenues rose 6.6% to \$745.3M.—JM

Cox Radio files \$750M shelf

No one wants to sell much of anything in the current Wall Street atmosphere, but Cox Radio (N:CXR) is getting ready to raise cash when things settle down. It's filed a shelf registration with the SEC to offer up to \$750M in new securities, whether common stock, preferred stock, bonds or something else.—JM

XM reports on Q1 spending

With no satellites yet in the sky, revenues are still flowing only one way at XM Satellite Radio (O:XMSR). The digital satellite radio licensee reported an operating loss of \$16.9M for Q1 2000. During the quarter,

however, XM raised \$565M (net) through securities sales. To date, XM has raised \$865M for its satellite radio service, which is scheduled to launch next year.—JM

NetRadio revenues and costs up

Internet-only audio streamer NetRadio.com (O:NETR) reported that Q1 net revenues rose 228% to \$565K. The company also noted that its number of unique listeners grew 87% to approximately 2.5M and that average TSL held steady at 1.5 hours per daily visit. Operating expenses didn't rise as rapidly, but NetRadio.com is still a long way from breaking even. Q1 operating expenses nearly doubled to \$4.8M, about 8.5 times revenues.—JM

Kelloggs backs Joyner Foundation

Cereal giant Kellogg's announced a \$100K contribution to the Tom Joyner Foundation. Each month for 10 months, Kellogg's will present \$10K to the nationally syndicated radio host's foundation to help deserving students at Historically Black Colleges and Universities. "The Tom Joyner Morning Show" is distributed by ABC Radio Networks.—JM

FCC staff gives thumbs up to CBS-Viacom merger

Dow Jones—Federal Communications Commission staffers have recommended conditionally approving the proposed merger between CBS Corp. (N:CBS) and Viacom (N:VIA). The staff report suggests giving the new company one year to sell television stations to comply with nationwide ownership limits, said one FCC staffer. A combined CBS-Viacom would cover 41% of the nation's TV households, exceeding the 35% cap. The commissioners could still alter or reject the report.

The merged company would also be in violation of a rule that prevents any of the four major networks from owning each other or another network that provides at least four hours a week of programming to 75% of the nation's viewers. That definition includes the struggling UPN network, which is 100% owned by Viacom. But the FCC is considering changing the rule to allow Viacom to keep UPN, which some observers say might not survive if sold. The FCC's biennial review of broadcast-ownership rules, which is expected to be completed soon, provides a "window of opportunity" to modify the two-network rule, said the FCC staffer.

In the fall, CBS and Viacom announced plans to create a media giant that would include CBS' TV network, several cable networks, Infinity Broadcasting's (N:INF) radio and outdoor properties, and the Paramount Pictures film studio.

CBS and Viacom had asked the FCC to give them two years to sell the TV stations necessary to comply with the 35% national cap, arguing that this would require one of the largest divestitures ever.

The merger was valued at about \$36B when announced. The proposal hasn't drawn many critical comments since it was filed with the FCC in November. A.H. Belo Corp. (N:BLC), which owns TV stations and newspapers, asked the FCC to reject Viacom's request for a two-year divestitures period. The American Cable Association, which represents small cable providers, raised questions about access to content, while the National Black Media Coalition voiced concerns about minority-hiring practices.

The Justice Department last week (4/26) approved the merger, so only the FCC OK remains.

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by Jack Messmer

What's next for Cumulus Media?

By now, everyone in the radio industry is aware of the woes that have beset Cumulus Media. When PricewaterhouseCoopers LLP (PwC) began its audit for the company's annual report to its shareholders and the SEC, the auditors found that some of the advertising sales booked as revenues for Q4 included spots that were actually running after the quarter ended and, under GAAP (Generally Accepted Accounting Principles), should have been divided between the quarters, based on when the spots actually ran. A further investigation found that the same accounting irregularity had been present across the year's three previous quarters.

As Wall Street traders held their breath to see what would come out of the audit, Cumulus' stock price—which had peaked 12/29/99 at \$53 per share before slipping in league with other media stocks—began to erode. The stock fell to \$14.50 on 3/15 and regained a bit of strength to close at \$16.938 on 3/16, just ahead of Cumulus' announcement (after the 4:00 pm ET market close) of its 1999 financial results.

The company said that it was restating its figures for Q1 through Q3 of 1999 (*RBR* 3/27, p. 12-13). It also reported Q4 broadcast cash flow that fell short of the forecasts by Wall Street analysts. **Bill Bungeroth**, President of Cumulus Broadcasting, the company's radio station operating unit, was given his walking papers and **Lew Dickey Jr.**, Executive Vice Chairman of the parent company, stepped in to take direct control of day-to-day operations. (Just a few days earlier, Cumulus had confirmed the departure of **Richard Bonick**, CFO of Cumulus Broadcasting—an event that the company had not considered significant enough to announce at the time it happened several weeks earlier, but which only served to further diminish the investment community's confidence in Cumulus' management team.)

When trading began the next day, Cumulus' stock went into a free-fall and closed at \$13.063. That was below the company's IPO price of \$14 from 21 months earlier (*RBR* 7/6/98, p. 13). As the chart below shows, the stock price went as low as a 4/14

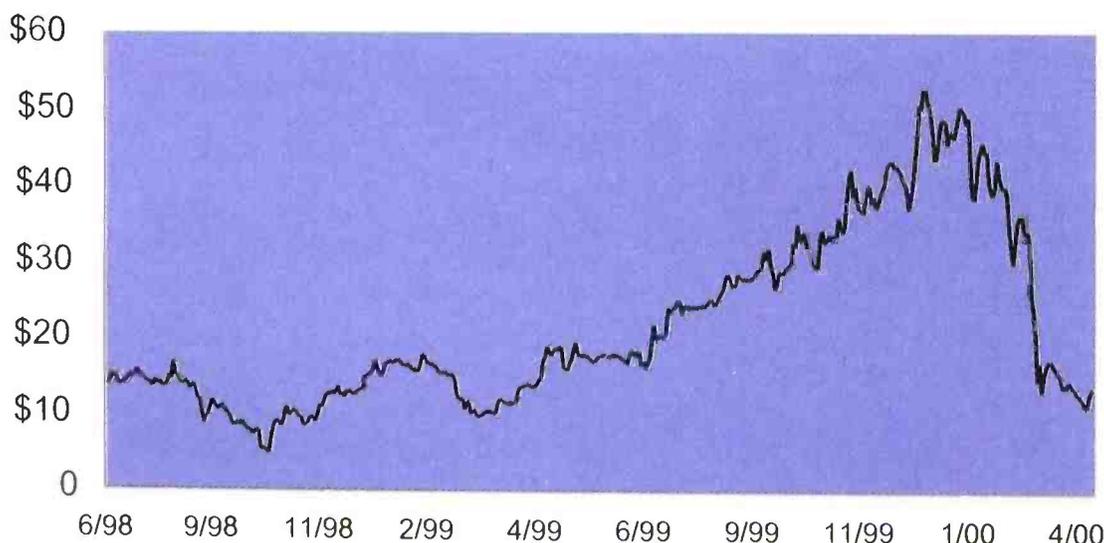
close of \$11.125, recovered a bit, then slid last Monday (4/24) to a close of \$11.375.

The worst was not over. After the market closed Cumulus had another bit of bad news to announce. Although PwC had given Cumulus an unqualified audit report for its 1999 financial statements when they were filed (after a slight delay) at the SEC, the accounting firm had decided it didn't want to continue and had resigned as Cumulus' auditors.

"PwC has informed the Audit Committee of the Board of Directors of the Registrant of the following material weaknesses, which came to PwC's attention in connection with the audit of the consolidated financial statements of the Registrant for the year ended December 31, 1999: (a) the Registrant's internal controls over the recognition of revenue failed to detect, on a timely basis, that spot, package billing and non-traditional revenues had been recorded in advance of when the spots aired or events occurred and (b) the Registrant's internal controls over related party transactions failed to ensure, on a timely basis, that amendments to related party service agreements were appropriately reviewed and approved prior to being recorded in the financial records of the Registrant." From Cumulus Media's 8-K filing with the SEC dated 4/24/00.

Switching auditors isn't unusual for public companies, but having PwC resign the account, on top of all that had already happened, spooked Wall Street yet again and sent Cumulus' stock plunging—yet again. By the end of Tuesday (4/25), the stock closed at \$9.203.

If buyers of the 1998 IPO are underwater, the situation is even more galling for investors who bought follow-on offerings in July 1999 at \$24.125 and November 1999 at \$39. Some of those investors are now seek-



ing to get some or all of their money back. Law firms specializing in shareholder lawsuits have filed six actions against Cumulus and its executives in Milwaukee federal court. The lawsuits, which seek class-action status, are asking for damages for everyone who bought Cumulus stock from 5/11/99 through 3/16/00. The suits claim that Cumulus and its executives issued false and misleading information that inflated the company's stock price.

In theory, two of the members of that wronged class of stock buyers are Cumulus Executive Chairman **Richard Weening** and Executive Vice Chairman **Lew Dickey Jr.** As we reported (*RBR* 4/24, p. 12), the two each bought \$5M of Cumulus stock 2/2 at \$39 per share. The company loaned them the money to make the stock purchases, but those loans must be repaid, with interest, on 12/31/03.

How to turn the tide

For Cumulus now, Weening, Dickey and their team have to do several things simultaneously: 1) Restore investor confidence and get the company's stock price back up; 2) Hire a new auditing firm; 3) Close around a half-billion dollars in pending acquisitions without being able to return to the equity markets any time soon for a cash infusion; 4) Finish the job of consolidating the local operations of its station clusters; and 5) Ramp-up sales operations to deliver on management's promise of large-market-type cash flow margins from small- and medium-market stations.

Putting that sales strategy in place is a top priority for Dickey and a key element was the recent acquisition of **Chris Lytle's** sales training company (*RBR* 2/7, p. 12), The AdVisory Board, which is now implementing "The Cumulus Sales Operating System" company-wide.

Having assembled a group of more than 300 stations from a diverse group of owners—mostly small privately owned companies with widely varied business practices and commission systems—many of the company's local account executives have little or no formal sales training. Rather than running from retailer to retailer trying to sell a few spots, Dickey is now refocusing the sales force's efforts on rate integrity and long-term strategic selling.

The root of the problem

It was that cacophony of corporate cultures from former owners that is being blamed for the revenue accounting problems at Cumulus. No one person is being singled out for responsibility. Apparently, the incorrect revenue recognition was found occasionally in a number of markets and repeatedly in a few. All Cumulus managers have now been schooled in how to record multi-month contracts correctly and executives are assuring Wall Street that the problem won't arise again.

"I am satisfied that we've resolved all of the problems," Dickey told *RBR*.

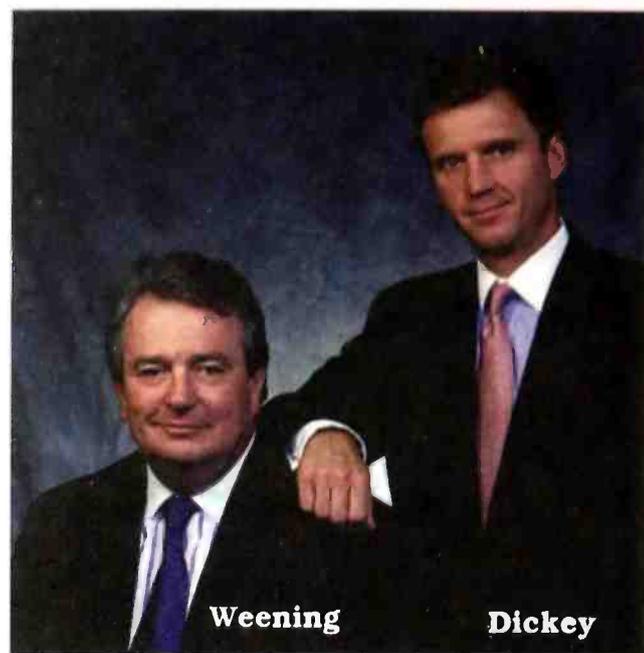
Dickey has spent much of his time the past few weeks meeting with each and every Cumulus market manager and sales manager. With no room for further stumbles, he has to be sure that everyone is clear about what's expected of them, both in building revenues and properly reporting the results to headquarters.

"This company is very healthy," Dickey said. "We're going to post some good numbers for the rest of the year."

Dealing with bulls and bears

The view from Wall Street is mixed. Of the 10 analysts that First Call identifies as officially following Cumulus, four list the company's stock as a "strong buy," two as a "moderate buy" and four as a "hold." Don't take those terms at face value. It's considered impolite to issue a "sell" recommendation and most Wall Street analysts will go through their entire career without issuing one, so a "hold" is about as negative as you'll ever get. Thus, the current score is four bears, four bulls and two undecided.

Cumulus has always had its naysayers, such as First Union Securities analyst **Jim Boyle**, who didn't think the company's business plan could be made to work. Not by **Bungeroth**, despite his long and successful career running large market radio stations. Not by **Dickey**, despite his research expertise and having literally grown up in the radio business. Not by anybody. No one, the naysayers believe, can pay what Cumulus has paid for hundreds of small stations and assemble them into



a group that can produce cash flow margins of 40% and more.

Those naysayers are now wearing "I told you so" grins. Meanwhile, the analysts who had touted the stock have egg on their faces. Even if the stock is now grossly undervalued, as they believe, no one is claiming that the stock is sure to rise any time soon. It will take time for Cumulus to rebuild investor confidence and any hint of additional trouble could take the stock price still lower.

If Cumulus is indeed greatly undervalued, the long-term payoff for patient investors could come in one of two ways—Weening and Dickey can get the train back on track and build the stock price back up or the company will be sold off, either as a whole or in pieces. Weening and Dickey, through their super-voting stock, have voting control of the company, but they could be forced to consider a sell-off if they ever lose the confidence of Cumulus' two main financial backers—the State of Wisconsin Investment Board and Bank of America's BA Capital Company LP. So far, both are standing behind the two executives.

At Prudential Securities, analyst **James Marsh** believes that the stick values of Cumulus' stations work out to somewhere in the \$23-\$25 per share range, so there's plenty of upside for investors regardless of which scenario plays out for Cumulus. He believes the accounting hullabaloo was overblown, but still isn't touting the stock as a sure thing. "The primary problem here is that they missed their fourth quarter number," he notes.

Having been burned on Q4, several

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analysts aren't even making Q1 predictions for Cumulus, so there's no firm consensus on what the company's target is for its Q1 financial report, due out sometime this month. Marsh is looking for broadcast cash flow of \$5.5M on revenues of \$45.5M. That estimate has been widely circulated, so if Cumulus doesn't come close to that mark there could be another bloodbath for shareholders.

Winning back Wall Street

While Dickey is focusing on day-to-day operation of the stations, Weening is working to rebuild the company's reputation on Wall Street and close a half billion dollars or so in pending deals. With no way to sell additional stock at current levels, those deals will have to be closed with cash on hand and an expansion of the company's senior debt facility. According to a recent research note issued by Prudential's Marsh, that still leaves a gap of about \$125M.

That gap is likely to be filled in one of two ways. Cumulus is negotiating with Clear Channel Communications (N:CCU) to increase the swap por-

tion of its deal to acquire 11 stations in four markets from Clear Channel/AMFM (N:AFM) merger spin-offs (*RBR* 3/13, p. 7). Cumulus is already trading its five-station Chattanooga, TN cluster to Clear Channel as part of the deal (*RBR* 4/17, p. 12) and other markets could be added. The problem with that is that Clear Channel won't be willing to take whatever standalone stations and underperforming markets Cumulus is willing to part with in trade. **Lowry Mays** and **Randy Michaels** will want already-assembled superduopolies in attractive markets.

Another possibility is selling off Cumulus' tower subsidiary, Cumulus Wireless. The company has made informal overtures to some of the major companies in the tower industry and *RBR* sources say the asking price is around \$75M. Of course, Cumulus would have to become a tenant of any buyer, so negotiating a favorable long-term lease would be as important as getting a good sale price.

However the closings are funded, the real test is going to be growing revenues and cash flow to win back Wall Street and boost the company's stock price.

"Fortunately, the underlying company is considerably stronger than the stock price would indicate," Weening told *RBR*.

He'd better be right, or he'll be paying a hefty price right along with the other shareholders.

RBR observation: Attracting shareholders back to a stock after a troubled period is always difficult. Once burned, twice shy.

Even if Cumulus' stock is as severely undervalued as its supporters believe, any upside payoff could be a long time coming. That's a play for patient speculators, not institutional money managers who have to show results quarter on quarter (if not day on day). As one observer noted, why buy Cumulus for your portfolio when there are healthier mid-market players such as Citadel (O:CITC) and Regent (O:RGCI) available?

If Richard Weening, Lew Dickey and Chris Lytle are able to build the cash flow machine they've promised, they and their shareholders will do well in the end. There is, however, no room left for any error at all. One more mishap could send the stock price into penny stock hell and force a fire sale.

Selected Consolidated Financial Data Cumulus Media (\$ in thousands)

	Year ended 12/31/99	Year ended 12/31/98	Period from inception on 5/22/97 to 12/31/97
Net revenues	\$ 180,019	\$ 98,787	\$9,163
Station operating expenses excluding depreciation and amortization	133,328	72,154	7,147
Depreciation and amortization	32,564	17,180	1,671
LMA fees	4,165	2,404	—
Corporate general and administrative expenses	8,204	5,607	1,276
Non-cash stock compensation expense	—	—	1,689
Operating income (loss)	1,758	1,442	(2,620)
Net interest expense	22,877	13,178	837
Loss before extraordinary item	(13,622)	(6,910)	(3,578)
Extraordinary loss on early extinguishment of debt	—	(1,104)	—
Preferred stock dividends, accretion of discount and redemption premium	23,790	13,591	274
Net loss attributable to common stockholders	\$ (37,412)	\$ (21,605)	\$ (3,852)
Basic and diluted loss per common share	\$(1.50)	\$(1.34)	\$(.31)
OTHER FINANCIAL DATA:			
Broadcast Cash Flow	\$46,691	\$26,633	\$2,016
EBITDA	38,487	21,026	740

Source: Cumulus Media SEC Form 10-K filed 4/14/00

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April 26—RBR Stock Index 2000

Company	Mkt:Symbol	4/18/00 Close	4/26/00 Close	Net Chg	Pct Chg	4/26/00 Vol	Company	Mkt:Symbol	4/18/00 Close	4/26/00 Close	Net Chg	Pct Chg	4/26/00 Vol
Ackerley	N:AK	14.250	12.625	-1.625	-11.40%	20500	Harris Corp.	N:HRS	28.188	31.125	2.937	10.42%	910200
Adelphia	O:ADLAC	44.563	48.000	3.438	7.71%	734400	Hearst-Argyle	N:HTV	20.875	20.313	-0.562	-2.69%	13500
Alliance Bcg.	O:RADO	0.020	0.020	0.000	0.00%	0	Hispanic Bcg.	O:HBCCA	94.063	91.125	-2.938	-3.12%	79300
Am. Comm. Ent.	O:ACEN	0.594	0.875	0.281	47.31%	7100	Infinity	N:INF	31.000	32.375	1.375	4.44%	1100300
Am. Tower	N:AMT	43.750	44.625	0.875	2.00%	1086100	Interep	O:IREP	6.813	6.313	-0.500	-7.34%	56500
AMFM Inc.	N:AFM	59.875	64.063	4.188	6.99%	581800	Jeff-Pilot	N:JP	60.813	62.625	1.812	2.98%	151000
Beasley	O:BBGI	8.000	8.750	0.750	9.38%	22700	Launch Media	O:LAUN	8.063	10.500	2.437	30.22%	42300
Belo Corp.	N:BLC	15.875	16.313	0.438	2.76%	124900	NBG Radio Nets	O:NSBD	1.688	1.750	0.062	3.67%	1200
Big City Radio	A:YFM	4.875	4.250	-0.625	-12.82%	17900	New York Times	N:NYT	42.188	42.125	-0.063	-0.15%	501000
CBS Corp.	N:CBS	55.000	58.688	3.688	6.71%	3444900	Pinnacle Hldgs.	O:BIGT	50.750	49.625	-1.125	-2.22%	265300
Ceridian	N:CEN	19.688	21.875	2.187	11.11%	1507000	PopMail.com	O:POPM	1.938	2.438	0.500	25.80%	147900
Cir.Rsch.Labs	O:CRLI	6.000	9.750	3.750	62.50%	1600	Radio One	O:ROIA	53.500	47.625	-5.875	-10.98%	187100
Citadel	O:CITC	34.250	39.250	5.000	14.60%	232500	Radio Unica	O:UNCA	8.500	7.250	-1.250	-14.71%	109300
Clear Channel	N:CCU	64.500	69.750	5.250	8.14%	2996200	RealNetworks	O:RNWK	41.313	36.500	-4.813	-11.65%	2829100
Cox Radio	N:CXR	73.938	74.500	0.562	0.76%	36200	Regent	O:RGCI	9.500	9.000	-0.500	-5.26%	43300
Crown Castle	O:TWRS	36.000	37.750	1.750	4.86%	1458300	Saga Commun.	A:SGA	18.938	20.750	1.812	9.57%	12800
Cumulus	O:CMLS	12.500	10.813	-1.687	-13.50%	1022000	Salem Comm.	O:SALM	7.813	8.000	0.187	2.39%	121200
DG Systems	O:DGIT	5.188	4.250	-0.938	-18.08%	54400	Sirius Sat. Radio	O:SIRI	35.000	36.500	1.500	4.29%	129300
Disney	N:DIS	39.375	42.250	2.875	7.30%	5918500	Spanish Bcg.	O:SBSA	18.938	18.938	0.000	0.00%	250200
Emmis	O:EMMS	38.500	38.938	0.438	1.14%	234600	SpectraSite	O:SITE	19.688	17.938	-1.750	-8.89%	212300
Entercom	N:ETM	40.250	44.688	4.438	11.03%	58300	SportsLine USA	O:SPLN	15.313	20.375	5.062	33.06%	140700
First Entertain.	O:FTET	0.530	0.750	0.220	41.51%	101000	TM Century	O:TMCI	0.781	0.781	0.000	0.00%	0
Fisher	O:FSCI	80.000	83.500	3.500	4.38%	10800	Triangle	O:GAAY	0.035	0.040	0.005	14.29%	349000
FTM Media	O:FTMM	7.500	6.750	-0.750	-10.00%	3100	Tribune	N:TRB	39.375	39.875	0.500	1.27%	1571500
Gaylord	N:GET	24.938	23.875	-1.063	-4.26%	13800	WarpRadio.com	O:WRPR	3.875	3.125	-0.750	-19.35%	18200
Gentner	O:GTNR	16.000	15.500	-0.500	-3.13%	17600	Westwood One	N:WON	31.875	33.000	1.125	3.53%	906700
Global Media	O:GLMC	5.938	6.500	0.562	9.46%	103200	WinStar Comm.	O:WCII	39.688	30.813	-8.875	-22.36%	1245200
Harman Intl.	N:HAR	59.438	62.938	3.500	5.89%	114300	XM Satellite	O:XMSR	24.000	25.563	1.563	6.51%	107300

Q1 record for CBS/Infinity

Both radio and outdoor posted record results for Infinity Broadcasting (N:INF) in Q1. The radio division saw net revenues rise 25% to \$457M and operating cash flow shot up 38% to \$212M. Spurred by the acquisition of Outdoor Systems Inc., the outdoor division had a 204% gain in net revenues to \$332M and a 534% increase in operating cash flow to \$121M. Company-wide, Infinity's net revenues shot up 66% to \$789M and cash flow gained 92% to \$326M. Pro forma, the company said overall cash flow was up 31%, with radio gaining 38% and outdoor 24%.

Q1 was also a record for parent company CBS Inc. (N:CBS). Revenues rose 36% to \$1.77B. EBITDA rose 85% to \$517M and after-tax cash flow gained 85% to \$301M.

Clear Channel beats estimates

Wall Street had expected Clear Channel (N:CCU) to report after-tax cash flow per share of 45 cents for Q1, but the company beat that by six cents, reporting 51cents. Net revenues shot up 108% to \$782.5M. Cash flow (operating income before depreciating and amortization) rose 99% to \$262.6M.

"The opportunities the company has created through internal development, partnerships and acquisitions are extraordinary," said CEO **Lowry Mays**.

Saga cash flow up 21.5%

Q1 brought double-digit cash flow gains to Saga Communications (A:SGA), both in actual and pro forma terms. Net revenues rose 20.7% to \$22M as cash flow increased 21.5% to \$6.7M. On a

same station basis, revenues gained 9.3% and cash flow 12.8%. Net income (yes, this small broadcast group actually has a positive number on the bottom line) rose 29.5% to \$720K.

Citadel cash flow up 70.5%

That figure reflects some big acquisitions, but Citadel Communications (O:CITC) had \$13.3M in broadcast cash flow for Q1 and net revenues rose 47.8% to \$46.1M. For stations that Citadel operated a year ago, revenues rose 18.7% and cash flow 33.3%. Pro forma for pending acquisitions, Citadel said Q1 revenues would have been \$67M and cash flow \$18.9M.

"Citadel achieved explosive growth in the first quarter," said CEO **Larry Wilson**, noting that both national and local ad sales posted double-digit gains.

by Jack Messmer

Entravision buying Z, going public

Fresh from buying EXCL for \$250M (*RBR* 1/3, p. 12), **Walter Ulloa's** Entravision Communications is expanding in radio again and taking the entire company public. Entravision signed a deal 4/20 to acquire Z-Spanish Media Corp. for \$475M and just a day later (4/21) filed for a \$615M IPO. **Amador Bustos'** Z-Spanish owns 33 radio stations (plus 42 affiliates of its radio networks) and approximately 10,000 billboards, so Entravision will also be entering the outdoor advertising business. Entravision will assume \$109M of Z-Spanish debt and the balance of the purchase price will be paid 70% in cash (approximately \$256.2M) and 30% (approximately \$142.5M) in Entravision stock.

Bustos will become President of Entravision's Radio Division and **Glenn Emanuel** will become Presi-

dent of the Outdoor Division. Continuing as CFO of Entravision is a name well known to radio folks from her days with CEA, **Jeanette Tully**.

After the IPO, Chairman/CEO **Walter Ulloa**, President/COO **Philip Wilkinson** and Secretary **Paul Zeynik** will own all of Entravision's super-voting Class B shares and control 80% of the voting power. **Amador Bustos** and a representative of his main financial backer, TSG Capital Fund III LP, will have a contractual right to two of the company's director seats. TSG and Univision (N:UNV), which is already a big Entravision investor, have agreed to make new investments totaling \$200M in Entravision stock. The stock will trade on the New York Stock Exchange as "EVC."

Lots of Wall Street heavies are getting a piece of the IPO. Donaldson,

Lufkin & Jenrette is the book running manager, co-lead managers are CS First Boston and Merrill Lynch, and other participants (the list may grow) include Salomon Smith Barney, Bear Stearns & Co. and DLJ Direct.

Until a few months ago, Entravision was almost exclusively a TV group, but that's changed dramatically. Here's how the company describes its Hispanic media empire: "We operate in 32 of the top 50 US Hispanic markets. Through our operations we have the ability to reach approximately 72% of Hispanics living in the United States, or approximately 23M people. For the fiscal year ended December 31, 1999, we had pro forma net revenue of \$150M, broadcast cash flow of \$46M and EBITDA of \$33M." Including Z-Spanish Media, Entravision will have 60 radio stations and pro forma 1999 radio revenues of \$61M, making the radio division only slightly smaller than TV, which had \$69M in revenues from 18 full- and low-power stations. Entravision will also have \$16M in billboard revenues and \$19M from two Spanish publications, both in New York. The revenues breakdown for Entravision: 41% TV, 37% radio, 12% publishing and 10% outdoor.

RBR observation: The IPO door may be shut now, but it could open again as quickly as it closed. When it does, Ulloa and associates will be ready. If past IPOs by Hispanic media companies are any indication, Wall Street should be ready to buy Entravision shares before investors are willing to look at IPOs in most other sectors.

Monkey flies into Santa Rosa

Amaturo Broadcasting is selling its Santa Rosa, CA superduopoly for approx. \$25M and the buyer is a monkey—a flying monkey. Flying Monkey Media is the whimsical name for the latest subsidiary of **Paul Robinson's** Emerald City Radio Partnership. The exact price of the transaction will move up or down from the \$25M mark depending on cash flow, with a price multiple of 15.6 times trailing broadcast cash flow.



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Cable giant buys WNUC-FM

Adelphia Communications (O:ADLAC) is entering radio for the first time with a deal to buy **John Casciani's** WNUC-FM Buffalo. Terms weren't immediately disclosed, but it should be in the \$5-6M range—small change for Adelphia, which has been on a multi-billion-dollar cable TV system acquisition spree in recent months. Pro forma for all those acquisitions, Adelphia had \$2.17B in 1999 revenues.

Adelphia's controlling stockholders, the **Rigas** Family, recently purchased the NHL Buffalo Sabres. The team's broadcast contract with Citadel's (O:CITC) WHTT-FM expired at the end of the past season and WNUC will carry play-by-play when the new hockey season begins. **Broker: Elliot Evers**, Media Venture Partners

Clear Channel adds in Virginia

Make it six stations for Clear Channel (N:CCU) in the Charlottesville, VA market. **Lowry Mays** and his shareholders are paying \$5.9M for WUMX-FM. The seller, **David Mitchell's** Air Virginia Inc., has no other stations. An LMA began 4/1.

Morris goes international

Morris Communications Corp. is the latest US radio group owner to enter the overseas market. Privately-owned Morris has purchased Riviera Radio for an undisclosed price. The station, based in the tiny principality of Monaco, is described as "the only full-time English-language FM station covering the French Riviera." The simultaneous broadcasts on 106.3 MHz and 106.5 MHz are said to cover a wide area from San Remo, Italy to St.

Tropez, France, including such playgrounds of the international jet-set as Nice and Cannes, not to mention Monaco itself. Morris has print properties in Europe, but Riviera Radio is its first non-US broadcast facility.

Two Carter stations re-sold

Now that Catholic Family Radio has dropped its \$20M buy of **Ken Carter's** six New England stations, a new buyer has stepped up to take three of them. **J.J. Jeffrey's** Atlantic Broadcasting is paying \$3.5M for Carter's stations in the Portland, ME market—WLLB-AM & WLOB-FM Rumford, ME and WLOB-AM Portland. Jeffrey held onto two Portland AMs when he and **Doc Fuller** sold the Fuller-Jeffrey group to Citadel (O:CITC) last year and has already added two FMs to the mix. **Broker: John Pierce**, John Pierce & Co.

Schwartz & Co. enter Illinois

Mike Schwartz, **Ed Argow**, **Aaron Daniels** and **Monte Lang** have another market for their partnership. Operating this time as Bloomington Radio Partners, they're buying WIHN-FM & WSNI-FM Bloomington, IL from **Bob Kelly's** Kelly Communications for \$3.125M. **Broker: The Mahlman Co.**, Satterfield & Perry

Liu gets 3rd DC AM

He already has a deal to acquire two AMs in the nation's capital from Mega Communications (RBR 4/17, p. 12) and now **Arthur Liu** is grabbing another in the far suburbs. Liu's Multicultural Radio Broadcasting is paying \$450K for **Bill Parris' WKCW-AM** Warrenton, VA. An LMA began last month.

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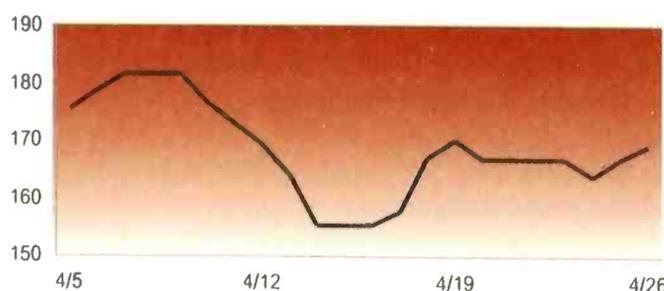
Snowden & Associates brokered the \$1.2M sale of WMIW-FM Myrtle Beach, SC (RBR 4/24, p. 15).

The Radio Index™

RADIO BUSINESS REPORT
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The Radio Index™ stayed in a narrow range as Wall Street awaited Q1 reports. The index fell 1.03 for the week to close 4/26 at 169.18.



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TRANSACTION DIGEST

by Jack Messmer & Dave Seyler

The deals listed below were taken from recent FCC filings. RBR's Transaction Digest reports on all deals that involve assignment of a station license (FCC Form 314) and substantial transfers of control of a licensee via a stock sale (FCC Form 315), but not internal corporate restructurings (FCC Form 316). All deals are listed in descending order of sales price.

\$97,116,667 KTSA-AM & KTFN-FM San Antonio TX, 100% stock sale of Waterman Broadcasting Corp. of Texas (Bernard Waterman) to CBS Corp. (N: CBS), although the application notes that Waterman Broadcasting will then be merged with Infinity Broadcasting (N: INF), which is majority owned by CBS. Non-taxable stock swap merger. Waterman will receive 2,666,667 shares of Infinity stock (worth \$95,666,667 when the contract was signed 3/24), \$450K under a consulting contract and \$1M under a non-compete agreement.

\$30,000,000 KGXL-AM Los Angeles (Torrance CA) from Mt. Wilson FM Broadcasters Inc. (Saul Levine) to Chagal Communications Inc. (Jack & Janet Siegal, Warren, Thomas, Jae Min, Nicholas and Grant Chang). \$1M downpayment, additional \$500K escrow, balance in cash at closing. LMA anticipated. Notes: 20% shareholder Jae Min Chang is a citizen of South Korea, all other shareholders are US citizens. Mt. Wilson will surrender the license of KKGO-AM Costa Mesa CA to the FCC for cancellation prior to closing this sale of its "paired" Expanded Band station.

\$3,060,000 KARI-AM & KBLO-AM CP (1600 kHz) Vancouver, BC (Blaine WA) from Birch Bay Broadcasting Co. (George Wilson, Ostrander Family Voting Trust) to Multicultural Radio Broadcasting Inc. (Arthur & Yvonne Liu). \$175K escrow, \$3M (less escrow) in cash at closing, buyer must also pay half of the \$120K brokerage fee. Existing **duopoly**. Broker: William Schutz Jr.

\$2,500,000 KVJY-AM McAllen-Brownsville TX (Pharr TX) from Ramon Garcia to Radio Unica of McAllen

License Corp. (Joaquin Blaya), a subsidiary of Radio Unica (O: UNCA). \$1.9M paid 3/24 for "non-FCC assets," \$100K escrow, balance in cash at closing of "FCC assets." LMA since 3/25.

\$2,000,000 KVNA-AM & FM & KZGL-FM Flagstaff-Cottonwood AZ from Regent Licensee of Flagstaff Inc. (Terry Jacobs), a subsidiary of Regent Communications (O: RGCI), to Yavapai Broadcasting Corp. (W. Grant Halley). \$100K escrow, balance in cash at closing. **Superduopoly** with KYBC-AM, KVRD-FM & KKLD-FM Cottonwood-Prescott Valley AZ. LMA since 3/29.

\$1,200,000 WDNC-AM Raleigh-Durham (Durham NC) from Durham Herald Co. Inc. (J. David Hughey) to WCHL-WDNC Inc., a subsidiary of Curtis Media Group (Donald W. Curtis). Cash. **Superduopoly** with WPTF-AM, WDTF-AM, WPCM-AM, WCLY-AM, WQDR-FM, WBBB-FM, WWND-FM & WXKU-FM, forming three distinct markets. LMA with Capital Radio Networks since 3/4/94, which was assumed by Curtis 9/16/97.

\$1,000,050 KQFX-FM & KGRW-FM Amarillo TX (Borger-Friona TX) from Equicom Inc. (W. Bennett Springer) to Rodriguez Communications LLC (Marcos Rodriguez, Charles Brooks, James Anderson, James Gammon). \$50 cash at contract signing, \$50K escrow, balance in cash at closing. Note: These two FMs do not have any contour overlap, but Rodriguez is also LMAing KZIP-AM, which overlaps KQFX-FM. Broker: Media Services Group

\$950,000 WPOL-AM Winston-Salem NC from Winston-Salem Radio Corp. (Bishop L.E. Willis), part of the Willis Broadcasting group, to Truth Broadcasting Corp. (Stuart Epperson). Tax-free exchange for WCPK-AM Norfolk VA (below), plus \$250K in cash at closing and \$200K to Willis under consulting agreement. Total value estimated by RBR. **Duopoly** with WTOB-AM.

\$850,000 WWFM-FM Florence SC from William R. Rollins (simultaneously with this filing, a Form 316 is being filed transferring station from Florence County Broadcasting Co. to Rollins) to Cumulus Media Inc. (O:CMLS) (Richard Weening, Lew Dickey Jr.). \$25K escrow, balance in cash at closing (\$100K allocated to non-compete). **Superduopoly** with WHSC-AM, WYMB-AM, WYNN-AM, WBZF-FM, WCMG-FM, WFSF-FM, WHLZ-FM & WMXT-FM, forming two distinct markets. LMA since 1/31.

\$825,000 KZPM-AM & KAFY-AM Bakersfield CA from Hispanic Broadcast Group Inc. (Amancio Suarez Sr.) to Golden Pegasus Financial Services Inc. (Nelson & Debbie Gomez). \$50K escrow, balance in cash at closing. Existing **duopoly**.

\$750,000 KBFL-FM Springfield MO (Buffalo MO) from KBFL Radio Inc. (Galen Gilbert) to Meyer-Baldridge Inc. (Kenneth Meyer). \$20K downpayment, additional \$530K in cash at closing, \$200K under consulting contract. **Superduopoly** with KWTO-AM & FM & KTXR-FM.

\$725,000 WMSK AM-FM Morganfield KY from Union County Broadcasting Co. Inc. (J.B. Crawley) to Southern Wabash Communications Ltd. (Randolph V. Bell, Sally D. Potts, David L. Crooks). \$10K escrow, \$115K cash at closing, \$600K note. LMA since 1/5. **Broker:** American Communications Partners Inc. (seller)

\$580,000 KLWT-AM & KCLQ-FM Lebanon MO from Lebanon Broadcasting and Leasing Ltd. Inc. (James R. Moore, sec) to Pearson Broadcasting of Lebanon Inc. (Max H. Pearson). Cash. LMA since 7/1/95, exercise of purchase option of the same date.

\$500,000 WCPK-AM Norfolk VA (Chesapeake VA) from Chesapeake-Portsmouth Broadcasting Corp. (Nancy Epperson) to Winston-Salem Radio Corp. (Bishop L.E. Willis), part of the Willis Broadcasting group. Tax-free exchange as partial payment for WPOL-AM Winston-Salem NC (above). Value estimated by RBR. **Superduopoly** with WANN-AM, WGLP-AM & WPCE-AM.

\$500,000 KHBT-FM Humboldt IA from Signature Communications Inc. (Frank Hayer) to Waitt Radio (Norman Waitt Jr.). \$50K escrow, balance in cash at closing.

\$500,000 KKLN-FM St. Cloud MN (Atwater MN) from KYRS FM Inc. (Dennis Carpenter) to Flagship Broadcasting LLC (Richard Anderson, Anita Kimmes). \$1K downpayment, \$499K note. LMA since 7/1/99.

\$450,000 WKCW-AM Washington DC (Warrenton VA) from Radio Broadcast Communications Inc. (William Parris) to Multicultural Radio Broadcasting Inc. (Arthur & Yvonne Liu). \$22.5K downpayment, balance in cash at closing.

\$425,000 KTEM-AM Killeen-Temple (Temple TX) from Bell Broadcasting Co. Ltd. (Richard C. Parker) to Cumulus Media Inc. (O:CMLS) (Richard Weening, Lew Dickey Jr.). \$21,250 escrow, balance in cash at closing. \$50K of which is allocated to post-closing agreement. Joins **superduopoly** with KOOV-FM, KYUL-FM, KOOC-FM, KLTD-FM. LMA since 3/2. **Broker:** Media Services Group (seller)

\$425,000 WLOR-AM Huntsville AL from M.B. Associates (Marcus Taylor) to STG Media LLC (Steven Shelton, Michael & Nicole Linn). \$21.25K escrow, \$125K (less escrow) in cash at closing, \$300K note. Combo with WAHR-FM.

\$380,000 WJBY-AM Rainbow City AL. 100% of the stock of Gadsden Broadcasting Co. Inc. from Hinton Minchem to Donnie Hobert Thomas. \$25K earnest money, \$225K cash at closing, \$130K note (for real estate).

\$350,250 KLVT AM-FM Levelland TX from James D. Peeler to Paul R. Beane. \$17.5K escrow, balance in cash at closing. Peeler will be hired as GM of the AM.

\$325,000 WMBA-AM Pittsburgh PA (Ambridge PA) from Donn Communications Inc. (Don Wuycik) to Iorio Broadcasting Inc. (Frank Iorio Jr.). \$15K escrow, balance in cash at closing. **Duopoly** with WBVP-AM.

\$313,750 KDDD-AM & KMRE-FM Dumas TX from XTRA Cattle Co. Inc. (Phil Haaland) to North River Investments Inc. (Joel Williamson). \$25K cash, \$288,750 note. LMA since 10/21/99.

\$215,000 KMHT-AM & KZEY-FM Tyler-Longview (Marshall TX) from Community Broadcasting Group Inc. (Ronald L. Swain) to Whitley College (Jerry Russell, Julian L.S. Gooden). \$215K escrow, released to seller with interest at closing. LMA since 3/31. Buyer is a non-profit corporation. Seller retains KZEY-AM Tyler.

\$210,000 WWIT-AM Canton NC from Pace Broadcasting Inc. (Will Osenga) to Blue Ridge Financial Inc. (Alan Warshaw, Peter Savage). \$80K cash, \$130K note.

\$200,000 KMSR-FM Sauk Centre MN from Branstock Communications Inc. (Stephen R. Nestor) to Main Street Broadcasting Inc., related to Linder Broadcasting Group (John R. Linder, Lynn Ketelsen). \$25K escrow, balance in cash at closing. **Broker:** Johnson Communications Inc. (seller)

\$135,000 WNEA-AM Newnan GA from Harold W. Banks d/b/a Banks Communications to Word Christian Broadcasting Inc. (Bill Winger, Ray Conway, Bobby Munn, John Cudzoil). \$10K escrow, balance in cash at closing.

\$125,000 KHAD-AM St. Louis (De Soto MO) from Schafermeyer Broadcasting Corp. (Kim Schafermeyer) to Radio Free Texas Trust (Jerome Friemel, trustee). \$25K escrow, balance in cash at closing. **Broker:** John W. Saunders

\$124,000 WKXM-AM & FM Winfield AL, 100% stock sale of Ad-Media Management Corp. from Melba Mainord to B. Maxine Harper. \$100K debt assumption, \$24K note.

\$110,000 KHOL-AM Beulah ND from Mercer Broadcasting Inc. (Alice Bolinske) to Two Guys Broadcasting Inc. (Richard Knaup). \$10K cash, \$100K note. LMA since 3/1.

\$10,000 KLWD-FM CP (91.9 MHz) Gillette WY from Open Bible Praise Fellowship (Don Wight, President) to CSN International (Charles & Jeffrey Smith, John Laudadio, Michael Kestler). \$10K cash.

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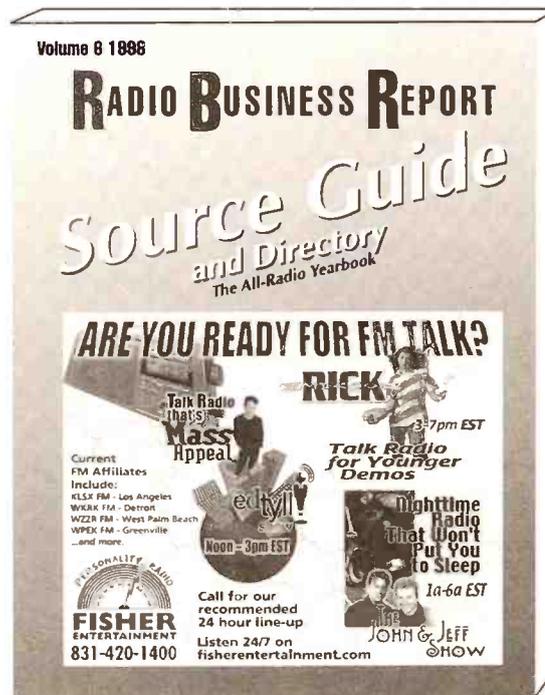
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